

MILLARD COUNTY RFQ/RFP

7/28/08

INTRODUCTION

The State of Utah School and Institutional Trust Lands Administration ("Trust") is an independent state agency established to manage land for the financial benefit of its beneficiaries. The Trust is soliciting qualifications from developers, contractors, businesses, individuals, and others with relevant experience in the development, construction and operation of large, master planned industrial projects. It is the intent of the Trust to enter into negotiations with a selected developer, or development team, for the development, construction, and operation of an industrial park development near Delta Utah. The purpose of this solicitation is to allow the Trust to ascertain the developer's financial capacity, development experience, resource commitment, and ability to coordinate with local government and private entities. Substance in the response will carry more weight than form or manner of presentation.

Following an evaluation period, the Trust will enter into negotiations with a selected developer, or development team, to structure a transaction which gives the project the highest probability of success while delivering a return to the Trust beneficiaries that captures the values added throughout the development. There are a number of transaction structures the Trust can use to accomplish this goal. An overview of acceptable transaction structures will be discussed later in this solicitation.

PROJECT HISTORY

The Trust owns approximately 14,000 acres of land north of Delta, Utah, near the Intermountain Power Plant. Millard County and Delta City officials along with the Trust have been exploring potential uses for this property. All parties are generally in agreement that a planned industrial park would be a good use for a portion of the property, and the Trust, in cooperation with Millard County and Delta City, desires to explore this potential.

PROJECT DESCRIPTION

The project is in its infancy; consequently, the exact boundaries and extent of the project have not been determined. It is contemplated that the project will accommodate both light and heavy industrial uses; however, the size and composition of the project will evolve through negotiations with the selected developer, Millard County, Delta City, and the Trust. It is anticipated the initial phases of the project will encompass between one thousand and five thousand acres. The attached map, exhibit “A”, identifies the potential industrial property in orange.

TRANSACTION STRUCTURE

The Trust is committed to transactions that assure quality, environmentally sensitive developments benefitting local communities. This commitment is the best means to insure our beneficiaries receive the highest possible value. Accordingly, the Trust has a preferred transaction structure that allows it to remain involved during the development process in order to capture added values.

This preferred structure centers around a development lease agreement. A development lease transaction structure enables a developer to improve, subdivide and sell Trust lands without having to purchase the land until it is sold to an end user. Under the development lease, the Trust holds the land and the developer provides the infrastructure, capital, expertise, sales, and project management for the development. The Trust is compensated with a low annual holding cost payment and receives a percentage of the gross selling price at the time a finished unit is sold. Under this transaction structure, the Trust prefers to maintain an option to participate up to 50% in the ownership of any commercial buildings developed in the project. It should be noted that the Trust does not subordinate the development lease, so infrastructure funding will involve capital investment.

Although the Trust prefers a development lease transaction, other creative structures will be considered including joint ventures or an outright sales proposal. Any structured proposal needs to identify the added value the project will produce over the years.

SUBMISSION REQUIREMENTS

All developers wishing to receive consideration should submit the following:

1. A detailed description of the development entity, which includes descriptions and resume/background information of all principals and their proposed level of involvement.
2. Information regarding key personnel that will be working on the project.
3. An overview of development experience including similar projects that have been developed, owned or managed by the principals, with an emphasis on economic viability, quality of architectural design, execution, and timeliness of performance.
4. At least three (3) past and current clients to demonstrate general professional integrity and reputation held within the business/public community, and contact information for these references.
5. A description of community involvement including any local community (preferably, Millard County or Delta City) involvement.
6. A statement outlining your approach to this project. The statement should include: (1) your vision on how the project would proceed, initially and over the long term; (2) How you anticipate organizing your team, including consultants, and the strengths of that team; (3) Your willingness and ability to coordinate with local public and private entities; (4) Your ability to construct large projects in remote locations; (5) Any special or unique resources available to you to enhance your ability to successfully complete the project; (6) A transaction structure you are comfortable with; (7) Any other information you choose to demonstrate the superiority of your approach.

7. The Trust recognizes the sensitive nature of the following financial information request. Such information may, therefore, be submitted at the developer's discretion, under separate cover and labeled "confidential". This information will be used by the Trust for purposes of evaluation and will be kept confidential.
- (1) If the entity undertaking the development will be specifically formed for this project or represents a subsidiary or joint venture, specify the guarantee relationship that will exist between the entity and its sponsors or participants.
 - (2) For the development entity or, in the case of a specifically formed company, for each of its guarantors, provide the following:
 - (a) Current financial statement.
 - (b) Last year's audited financial statement.
 - (c) Two credit references, preferably ones involved in projects of similar scope.

EVALUATION CRITERIA

- Strength and experience of the project team.
- Project vision and execution plan.
- Proposed transaction structure.
- Willingness and ability to work with local community.
- Experience with similar projects.
- Financial capacity as well as willingness to commit capital to this project.
- Staying power if timing changes.

GENERAL CONDITIONS

The selection of entities for negotiation and the modification of any resulting proposal are at the sole discretion of the Trust.

The Trust may consider all information available to it, whether submitted or otherwise identified, in reference to the qualification and ability of the submitting entity, including past performance with the Trust.

Submissions shall be sealed and marked Millard County RFQ.

One (1) original and three (3) copies of the submission must be received by the submission date and time.

The Trust reserves the right to waive irregularities of any kind, to reject any and all submissions, and to accept any submission it feels serves the Trust's and the project's interest.

No right whatsoever shall inure in the respondent by virtue of its selection, until such time as a contract is fully executed.

All expenses incurred in the preparation of submittals are the sole responsibility of the respondent.

All respondents should register their interest with Rodger Mitchell at rodgermitchell@utah.gov. The Trust will not respond to unregistered parties.

Any questions regarding this RFQ/RFP or requests for additional information must be submitted in writing before the Due Date and addressed to:

Rodger Mitchell
Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102
rodgermitchell@utah.gov
(801) 328-9452 fax

The Trust reserves the right to distribute any or all questions, answers or additional information to all interested parties.

SUBMISSION TIMING

Submission and Selection Schedule

RFQ ISSUED July 28, 2008
SUBMISSION DUE DATE August 25, 2008
SUBMISSION TIME On or before 5:00 PM (MDT)
TARGETED SELECTION DATE September 11, 2008

Submission Date and Time

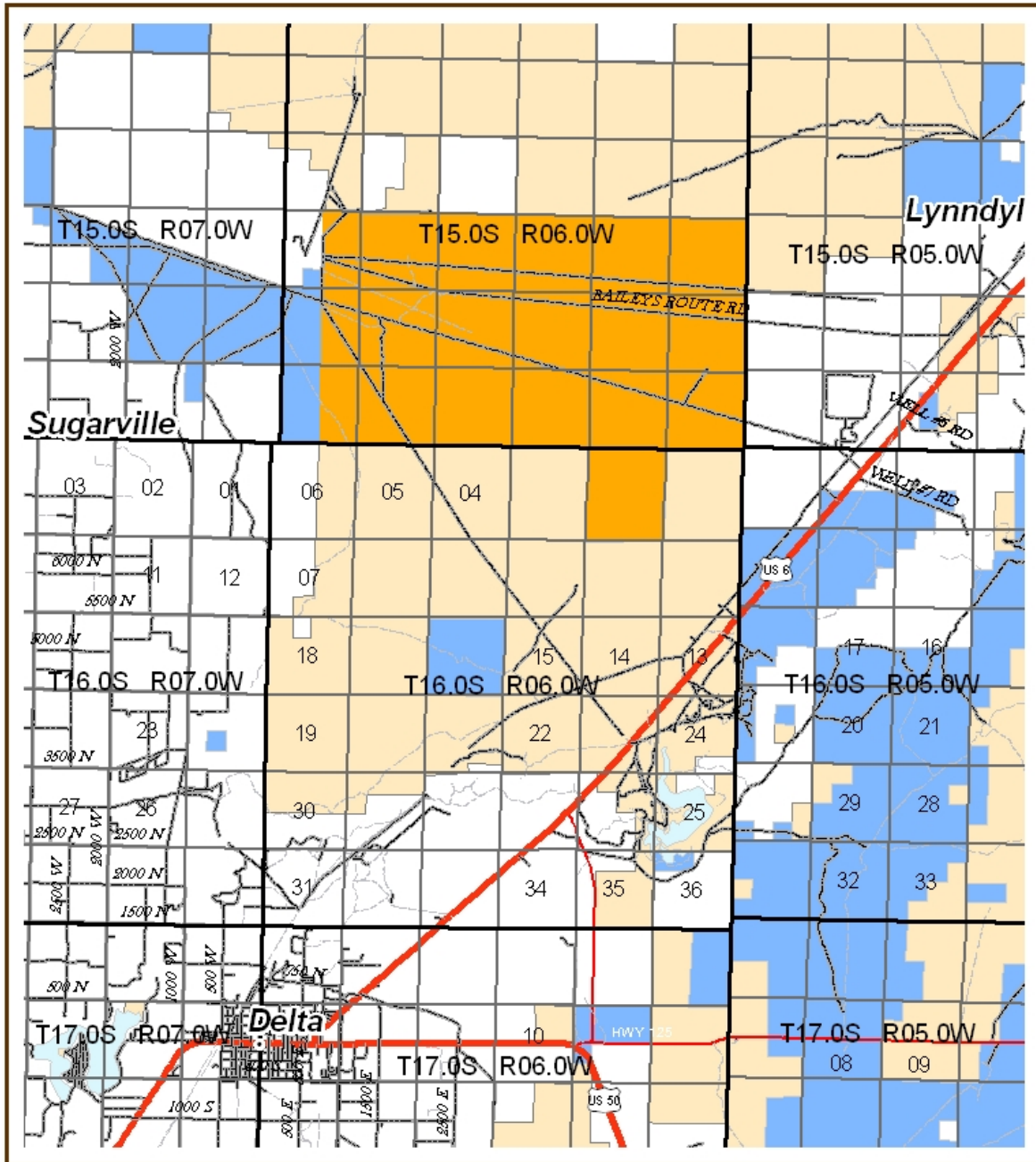
On or before 5:00 PM on the 25 day of August, 2008.

Submission Location

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake, Utah 84102
(801) 538-5100

Note: Electronic submissions will be accepted at rodgermitchell@utah.gov with hard copies following within three (3) business days.

Exhibit A



Projection NAD 1983 UTM Zone 12 North
Map for reference purposes only
Rebecca Richards-Steed 2008

Legend

Potential Industrial Use 2

Land Ownership and Administration
owner, admin, design

Federal, BLM, Other

Private, Private, N/A

State, SITLA, State Trust Land

Utah Statewide Streets

US Highway

Local Road

Water, Water, Waterbeds